

Company Registration Number: 07638800 (England & Wales)

DISCOVERY EDUCATIONAL TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 23
Governance Statement	24 - 30
Statement on Regularity, Propriety and Compliance	31
Statement of Trustees' Responsibilities	32
Independent Auditors' Report on the Financial Statements	33 - 36
Independent Reporting Accountant's Report on Regularity	37 - 38
Statement of Financial Activities incorporating Income and Expenditure Account	39 - 40
Balance Sheet	41 - 42
Statement of Cashflows	43
Notes to the Financial Statements	44 - 72

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr P Day Mr M Fossey Mr D Smith Mrs K Wild-Smith
Trustees	Mr D Cowen (appointed 16 September 2021) Mr R Duff Mrs K Evans (resigned 29 September 2021) Mr C Hearn Mr C Holme Mr R Juniper (appointed 1 September 2022) Mr W Myhill (appointed 16 September 2021, resigned 25 April 2022) Mr A Sharma (appointed 11 November 2021) Ms L Stafford-Scott (resigned 7 July 2022) Mrs K Tucker Mrs H Witty, Chair Mrs K Wild-Smith (resigned 9 March 2022)
Company Registered Number	07638800
Company Name	Discovery Educational Trust
Principal and Registered Office	St Martin's School Brentwood Hanging Hill Lane Hutton Brentwood Essex CM13 2HG
Company Secretary	Mr P Griffiths
Chief Executive Officer	Mr R Duff
Senior Management Team	Mr R Duff, Chief Executive Officer Mr P Griffiths, Chief Financial and Operations Officer
Independent Auditors	MWS Chartered Accountants Kingsridge House 601 London Road Westcliff on Sea Essex SS0 9PE
Legal Advisors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of Discovery Educational Trust (DET), formerly Brentwood Academies Trust (BAT) for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

DET operates one primary and two secondary schools (the Schools) in the South East area of Essex, with a combined pupil capacity of 3,655 and a roll of 3,308 pupils as recorded in the October 2020 census.

St Martin's School, Brentwood (SMS) initially converted to academy status on 1 July 2011, and subsequently became BAT on 23 April 2014. The School was rated Good by Ofsted in January 2019 with the 16 to 19 provision rated Outstanding.

On 1 July 2014, Larchwood Primary School (LPS), a sponsored School, became part of BAT. The School was inspected by Ofsted in March 2017, achieving Outstanding status, and continues to be an over-subscribed school of choice in the local community.

On 1 April 2015, Chase High School (CHS), a sponsored School, became part of BAT. The School was inspected by Ofsted in February 2022 and was rated Good in all categories. This is the first time that the School has achieved above Satisfactory/Requires Improvement in its 15-year history.

Structure, Governance and Management

a. Constitution

DET is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also Directors for the purposes of Company Law. The terms Trustee and Director are interchangeable in this report.

The operation of the Schools and employment of staff are the responsibility of the Trustees. DET retains control of School budgets and finances, and monitors these through its Trust Board (TB). Each School has appointed a Local School Committee (LSC), which has delegated authority to administer its School within agreed budgets. Members of the LSC are referred to as Local Governors in this report.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

c. Trustee and Officers' Indemnities

In accordance with normal commercial practice, DET has opted into the Department for Education's (DfE) Risk Protection Arrangement (RPA), an alternative to insurance, where UK Government funds cover losses that arise. This scheme protects Trustees, Local Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on DET business and provides cover up to £10,000,000 on any one claim. Details of the costs are disclosed in Note 13 to the accounts.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, Governance and Management (continued)

d. Method of Recruitment and Appointment or Election of Trustees

In accordance with the Articles of Association, the number of Trustees shall not be less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Articles allow DET to have the following Trustees:

- Up to twelve Trustees appointed by Members (Article 50);
- Chief Executive Officer and Executive Principal (Article 57);
- Parent Trustees (Articles 53-56); and
- Co-opted Trustees (Article 58).

The Chief Executive Officer/Executive Principal is referred to as the Chief Executive Officer (CEO) in this report. The total number of Trustees, including the CEO, who are employees of DET shall not exceed one third of the total (Article 50B). Policies and procedures adopted for the induction and training of Trustees and Local Governors are as follows:

- DET has developed a formal Induction Policy for new Local Governors and Trustees that consists of an 'in- house' induction as well as external induction training provided by Juniper Education. The latter programme also provides a range of training courses for both new and existing Local Governors and Trustees.
- The Trust subscribes to both the National Governance Association and Confederation of School Trusts, which both have an extensive training and guidance offering. Information regarding training opportunities is circulated to all Local Governors and Trustees and attendance is encouraged. A detailed record of all training completed by Local Governors and Trustees is maintained and reviewed on a regular basis and a skills audit is undertaken annually.

e. Organisational Structure

The governance of DET is defined in the Memorandum and Articles of Association together with the Funding Agreement with the DfE.

The TB, which meets on, at least, six occasions per year, is responsible for strategic planning and the setting of general policy. It manages DET through business planning, the approval and monitoring of budgets, performance management and the setting of standards. The TB also makes major decisions about the direction of DET, capital expenditure and staff appointments. The TB includes the Accounting Officer: the CEO of DET.

Whilst the Trustees have overall responsibility and ultimate decision-making authority for all work of DET, it chooses to delegate the management of each School to an LSC, which acts as the 'Advisory Body' for each School. The DET Scheme of Delegation details the role of the LSC. Specifically, LSCs are charged with responsibilities relating to the "Three Ss" - Safeguarding, Standards and Stakeholder Engagement.

The Senior Leadership Team (SLT) of each School reports through each LSC and is responsible, at an executive level, for implementing policies and for the day-to-day operation of each School, in particular organising staff, resources and pupils. It is responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safer recruitment processes.

The Accounting Officer has overall responsibility for the day-to-day financial management of DET. The Accounting Officer has delegated responsibility for agreed levels of expenditure to specific budget holders, who are each responsible for managing their own School and its departments within the constraints of each allocated budget. DET has documented Financial Regulations and a Financial Scheme of Delegation to implement and manage the necessary financial controls.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, Governance and Management (continued)

f. Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of DET.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the DET group size, Individual Salary Range (ISR), the pay scales for each role, the level of experience of each staff member and the ability to recruit and retain in post. In addition, DET, as part of the Transfer of Undertakings (Protection of Employment) (TUPE) agreement for each School joining, adheres to nationally agreed pay awards, all of which are in accordance with DET's appointment procedures, Pay Policy and Performance Management Procedure, both documents being subject to annual review.

DET undertakes annual performance management for teaching staff in October and for non-teaching staff in March, with all staff required to evidence achievement of performance targets. The only Trustee receiving remuneration from the Trust is the CEO.

Headteachers (HTs) review and determine teaching and non-teaching staff (Performance and) Pay progression prior to anonymised data being submitted to the LSCs (for information only) and to Pay Committee for review to ensure equality, fairness and consistency.

The CEO reviews and determines Central Services staff (Performance and) Pay progression prior to anonymised data being submitted to the Pay Committee for review to ensure equality, fairness and consistency.

The CEO Performance Management Committee (comprising the Chair and Vice Chair of the TB, a further Trustee and an External Adviser) reviews CEO performance and recommends pay progression to the Pay Committee for approval.

The HT Performance Management Committees (comprising the Chair and Vice Chair of the LSC and the CEO) review HT performance and recommend pay progression to the Pay Committee for approval.

g. Connected Organisations and Related Parties

Owing to the nature of DET's operations, and the composition of the TB being drawn from local public and private sector organisations, transactions may take place with organisations in which a Local Governor or Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with DET's Financial Regulations and normal procurement procedures. Any transaction where the Local Governor or Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academy Trust Handbook (ATH).

h. Employee Consultation

Staff are informed and consulted on matters affecting them during the year through the sending of emails and the use of DET's and Schools' intranet sites.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, Governance and Management (continued)

i. Engagement with Suppliers, Customers and Other Stakeholders

The Trustees have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms always adhered to. To ensure service continuity during and after the COVID-19 outbreak, DET followed the guidelines of the Government Procurement Policy Note (PPN) that sets out information and guidance for public bodies on payment to their suppliers.

The Trustees consider pupils and parents/carers to be their “customers”. Whilst pupils encounter engagement on a daily basis, engagement with parents/carers is through face-to-face meetings, via email, through the use of a parental portal, a weekly newsletter and online with each School website incorporating both a news section and Twitter feed.

j. Disabled Access and Equality

Equality and Diversity - DET is committed to equal opportunities in employment and to avoiding unlawful discrimination and eliminating unconscious bias in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and dismissal, performance and selection for redundancy. DET upholds its obligations under the Equality Act 2010 (“the Act”) not to discriminate directly or indirectly in any of its activities against employees or applicants for employment on the grounds of the protected characteristics of age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race (which includes ethnic origin, nationality and ethnic or national origins), religion or belief, sex and sexual orientation.

DET has a documented Equality and Diversity in Employment Policy as well as an Equality Statement and Objectives, and all documents are published on its website.

Disability - The Schools make reasonable adjustments to allow access to staff and visitors with physical, sensory or mental impairments. The Schools make reasonable adjustments in the recruitment and employment of disabled people. This may include adjustments to recruitment and selection procedures, terms and conditions of employment, working arrangements and physical changes to the premises or equipment. The Schools take account of recommendations from Access to Work and any medical professionals. The Schools do not discriminate during recruitment and ongoing staff development because of impairment.

All Schools have a documented Accessibility Plan that is published on School websites.

k. Trade Unions

DET has four full-time employees, who were relevant union officials during the year. One of the full-time employees receives one free period per fortnight as paid facility time, with a review each academic year to assess if this is viable when considering timetable requirements. All other employees receive no paid facility time.

Objectives and Activities

a. Objects and Aims

The principal object and aim of DET is the operation of a number of Schools to provide free education and care for pupils of different abilities between the ages of four and 19 within their local communities.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and Activities (continued)

b. Objectives, Strategies and Activities

During the year, the individual Schools have worked towards achieving these aims by:

- Ensuring that every child enjoys the same high-quality education in terms of resourcing, teaching and learning, curriculum provision and assessment;
- Raising the standard of educational achievement to ensure high levels of pupil attainment and standards for all pupils;
- Improving the effectiveness of each School by keeping the curriculum and organisational structure under continual review;
- Providing value for money for the funds expended;
- Complying with all appropriate statutory and curriculum requirements;
- Conducting the School's business in accordance with the highest standards of integrity;
- Establishing high-quality care, guidance and support of pupils, personal development and wellbeing and inclusiveness; and clear leadership and management.

DET's core purpose is to improve the life chances of its pupils, maximising their achievements, both academic and social. It aims for each of its Schools to become the school of choice within their local communities, offering a broad and exciting range of extra-curricular activities to enhance the opportunities offered by the formal curricula.

DET's underlying ethos is that strong and effective leadership places its children and young people at the heart of everything it does. Its vision is articulated in five key statements:

- Our Schools offer our children and young people a high-quality inclusive education, a broad, balanced and ambitious curriculum and a safe and stimulating place to grow, learn and develop. All pupils are fully prepared to seize the opportunities of the rapidly changing world and become active and responsible global citizens.
- There is effective support for the wellbeing of pupils and collaborative multi-agency working. Our pupils have a positive attitude to their education, reflecting a respectful culture and high expectations for behaviour.
- Our Trust is an employer of choice and invests in the professional development and wellbeing of its workforce.
- Rigorous financial planning and risk management underpin improvement and innovation and create sustainability, enabling our Trust to expand to include local schools that share our ambitions.
- Our Schools collaborate and are mutually supportive, but challenging, partners. There is wide ranging communication with stakeholders in School and in the wider community. Their feedback helps us to continue to improve.

DET's key strategic priorities for 2021 to 2025 are:

- The Quality of Teaching;
- Pupil Progress and Attainment;
- Pupil Safety and Wellbeing;
- Pupil Behaviour and Attitudes;
- Strong and Effective Leadership and Management, including Governance;
- Staff Morale and Wellbeing.

c. Public Benefit

The Trustees believe that, by working towards the objectives and aims of DET as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and Activities (continued)

Strategic Report

a. Achievements and Performance

DET continued in its mission and core purpose of improving the life chances of its pupils and of maximising their achievements, both academic and social. It encouraged a wide range of extra-curricular activities; developed and retained knowledgeable and committed staff and guided pupils in suitable progression as they left each School.

Chase High School

CHS had a highly successful 2021/22 academic year; the School achieved its first ever Ofsted 'Good' rating in its 15-year history, was shortlisted top 8 in the 'National School of the Year TES Awards', achieved its highest English and maths results and its highest number of university applications in Post-16. Additionally, the numbers on roll are now at a record high, following an increase in the School's Published Admission Number (PAN) from 196 to 226 pupils. Years 7 and 8 are full with an increase in first choice applications up 30%, and this is expected to significantly increase for the current Year 6 into Year 7 according to Southend Local Authority.

Vision, Values and Character Education

CHS' core values are Aspirations, Character and Excellence and its vision is to fully prepare every pupil to live highly successful adult lives by:

- Providing the skills, attributes and aspirations necessary to instil a love of lifelong learning and the pursuit of academic excellence.
- Delivering a challenging and enriching curriculum that ensures outstanding outcomes across a breadth of experiences;
- Building the strength and depth of character that combines a strong moral purpose with excellent social skills;
- Ensuring that pupils become adults that can go on and make a real difference locally, nationally and globally.

The School awards LORIC badges for pupils, who demonstrate Leadership, Organisation, Resilience, Initiative and Communication. In the academic year 2021/22, more than 20,000 house points were awarded and over 2000 badges. In an effort to try to engage Key Stage 4 pupils, where statistics are typically low, rather than awarding tutor groups with sweets during each celebration assembly, a points system has been implemented for house points, badges, attendance and quizzes completed during tutor time. The tutor group with the most points at the end of each half-term receives a specific reward or a rewards breakfast with the Headteacher.

After receiving feedback from the LORIC challenges, the School has decided to change the time period for each LORIC form task for the 2022/23 academic year. LORIC tasks will be completed across a term, rather than a half-term. This is to ensure that tutor groups have enough time to complete the challenges to the best of their ability. A typical LORIC task (performed across Science, Technology, Engineering, Mathematics (STEM) based challenges) would be where tutor groups create a marble run. Pupils need to find their own materials and create a run for an average sized marble. The marble has to run for, at least, a minute without stopping. Tutor groups are awarded more points for creativity of the run and how long the marble can stay running for. The next term, there will be a humanities-based LORIC task.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report (continued)

(continued)

Elite Sports Academy

The Elite Sports Academy (ESA) has been very successful in driving excellence in the curriculum as well as extra-curricular success. For example, the Year 8 girls' netball team won the Netball Borough League and the junior and intermediate boys and girls achieved their highest finish in National Athletics in CHS history, competing at the National B finals.

The high profile of the ESA now means that pupils approach staff asking them what they need to do to join and Year 6 parents visit the School having already heard of the programme. The ESA pupils receive personalised hoodies and attended additional trips as well as being trained in umpiring and scoring to support the younger pupils in the extra-curricular clubs. Each Friday morning session, pupils are filmed whilst officiating a sport, and, on Monday morning, they analyse their performance and look at their strengths and weaknesses. The combined result of the ESA has had a positive impact on attendance to extra-curricular sports clubs across the Year Groups as well as improving the public perception of the School.

Performing Arts

Drama and performing arts continue to be a strength as part of the CHS extra-curricular offer. Very successful productions of 'Oliver' and the 'Summer Showcase' involved over 60 pupils and were performed to the wider community including Year 5 pupils from across Southend and our neighbour, Lancaster School.

As a result, CHS will be establishing a new Elite Performing Arts Academy (EPPA) for September 2022, which encourages creativity, whilst building and developing transferable life skills, which can be used at Key Stage 4 and beyond school. Key Stage 3 Drama and Music pupils continue to work independently and collaboratively to develop and hone their abilities in either or both subjects. This is in preparation for their first production at Christmas. 'Humbug' will be shown to visiting primary schools as well as to Year 7 pupils mid-December.

Exam Results 2021-22

Exam grades in 2022 were awarded following pupils sitting exams in school. However, adaptations were made in each subject. To help pupils prepare, they were given more information than usual about what to revise, and/or given fewer topics to learn. Pupils were also allowed to use support materials - such as formulae sheets for maths.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

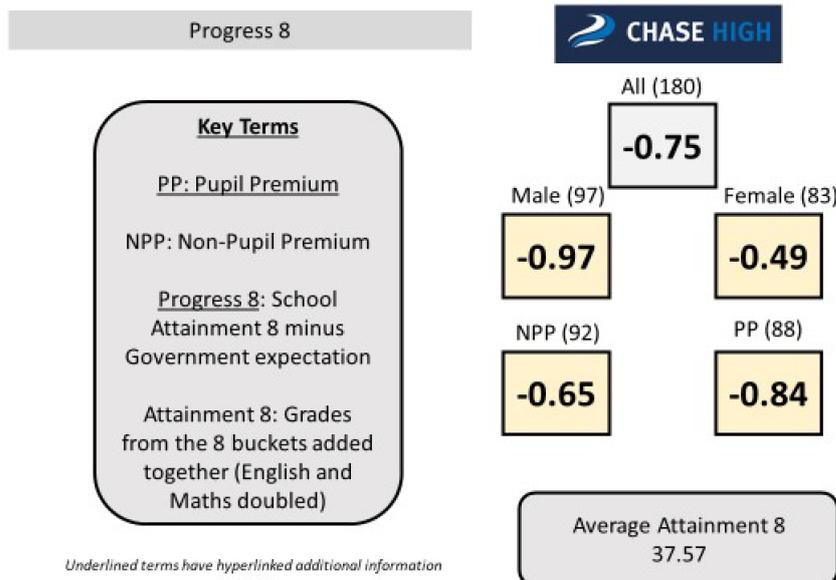
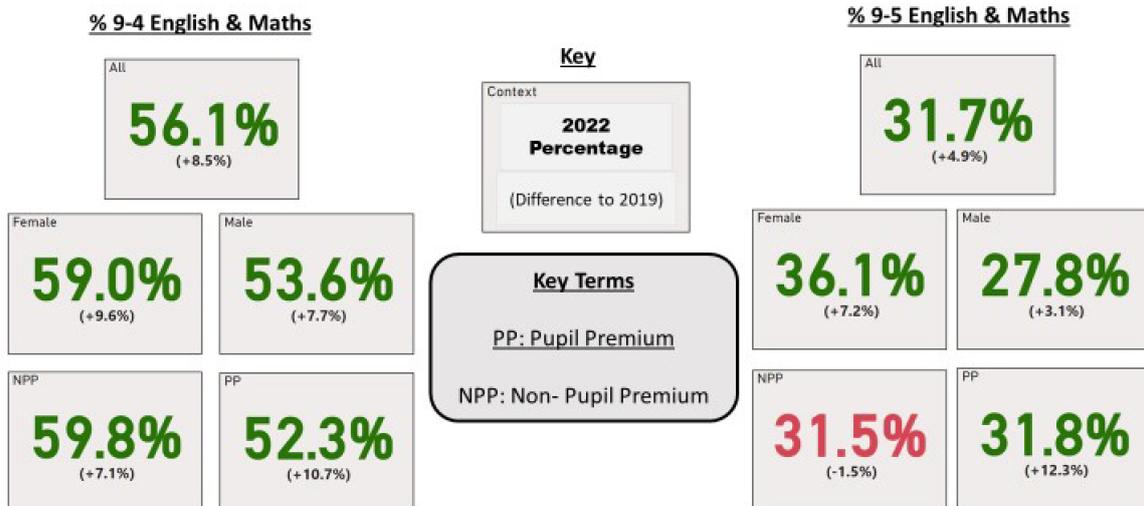
Strategic Report (continued)

(continued)

Key Stage 4 - GCSE



Achievement Benchmarks compared to 2019



Underlined terms have hyperlinked additional information sources

Total pupils in brackets

Official 2022 Progress 8 benchmarks used for PB values



DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report (continued)

(continued)

Key Stage 5 – Post-16

A Level (47 pupils)

- Average Grade - C-;
- Average points per entry - 26.35;
- Total entries - 52;
- Average points per pupil - 29.15.

Applied General (73 pupils)

- Average Grade of Merit+;
- Average points per entry - 28.41;
- Total entries – 160;
- Average points per pupil - 62.26.

Tech Level (16 pupils)

- Average Grade - C-;
- Average points per entry - 27.96;
- Total entries - 248.7;
- Average points per pupil - 62.5.

Level 3 Overall (89 pupils)

- Average Grade - C-;
- Average points per entry - 27.96;
- Total entries - 248.7;
- Average points per pupil - 78.12.

Larchwood Primary School

Context

LPS expansion to a fully two-form school community-centred school was completed in 2021-22 with a PAN of 60 in all Year Groups from Reception to Year 6. The School continues to be oversubscribed for entry into Reception and remains a school of choice within the local community. The School continues to ensure that it fulfils its mission statement where all children achieve their potential, enjoy their primary years and are given opportunities and experiences that they will remember for life. The School mantra 'Achievement and Enjoyment' continues to underpin all that it does.

The School promotes its six values of friendship, fairness, respect, responsibility, honesty and perseverance. Children are given multiple opportunities every day to develop these, and children demonstrate them in their learning and in the other roles they take at School, such as play leaders, lunch leaders, representing the School at sporting events and as members of the Junior Governing Board.

The operation of the School returned largely to the pre-COVID model for much of the year. However, despite there being no COVID-related lockdowns in 2021-22, the pandemic continued to impact the School. There was significant disruption as the Omicron variant took hold, and a significant number of children and staff had time away from School due to the requirement for a five-day isolation period. Attendance remained above the national average, and outcomes remain strong. The main School priority to get children back to the academic level that they were at pre-pandemic meant that significant resources were devoted to this, including the effective use of the Recovery Premium. School-led tutoring took place for nearly 50 children.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report (continued)

(continued)

Curriculum

Reading continued to be a priority at the School. The School Improvement Plan also prioritised the curriculum. Areas of focus included the use of vocabulary, linking learning to prior learning and retaining learning in the long-term memory. There was also a focus on developing the history and geography curriculum to focus on disciplinary knowledge through an enquiry-based curriculum.

Outcomes 2021/22

In Reception, 77% of children achieved a Good Level of Development (GLD) against a National Average (NA) of 72% in 2019.

88% (NA of 75% in 2022) of children reached the standard of the phonics screening check in Year 1.

Early Years and Year 1 Phonics



Key Stage 1

In reading, 80% achieved expected standard (NA of 67% in 2022) and 25% achieved greater depth (NA of 18% in 2022).

In writing, 66% achieved expected standard (NA of 58% in 2022) and 14% achieved greater depth (NA of 8% in 2022).

In maths, 80% achieved expected standard (NA of 68% in 2022) and 24% achieved greater depth (NA of 15% in 2022).

The combined of reading, writing and maths was 64% at the expected standard (NA of 65% in 2019) and 12% achieved greater depth (NA of 12% in 2019).

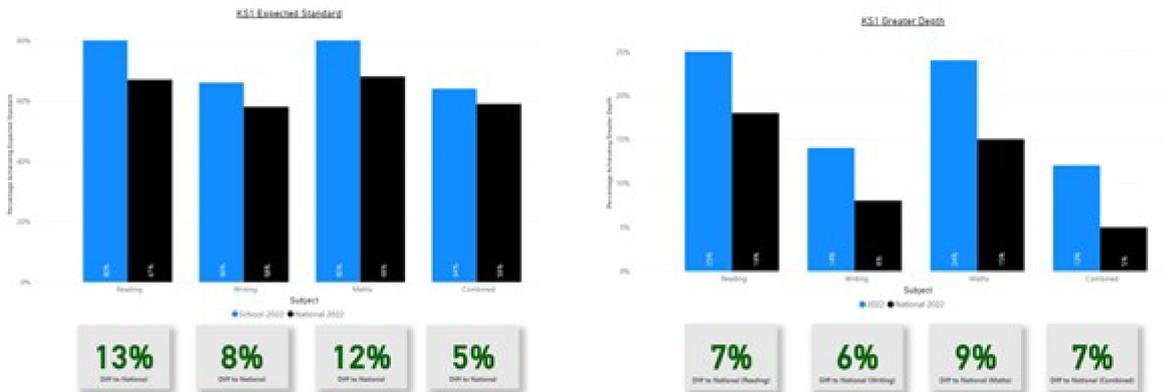
DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report (continued)

(continued)

Key Stage 1 Overview



Key Stage 2

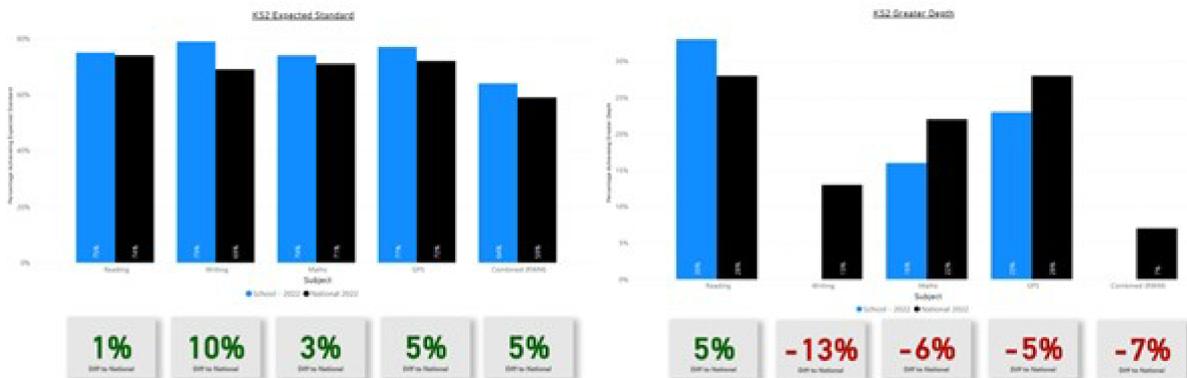
In Year 6 in reading, 75% achieved expected standard (NA of 74% in 2022) and 33% achieved greater depth (NA of 28% in 2022).

In writing, 70% achieved expected standard (NA of 69% in 2022) and 0% achieved greater depth (NA of 13% in 2022).

In maths, 74% achieved expected standard (NA of 71% in 2022) and 16% achieved greater depth (NA of 22% in 2022).

The combined of reading, writing and maths was 64% at the expected standard (NA of 59% in 2022) and 0% achieved greater depth (NA of 7% in 2019).

Key Stage 2 Overview



DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

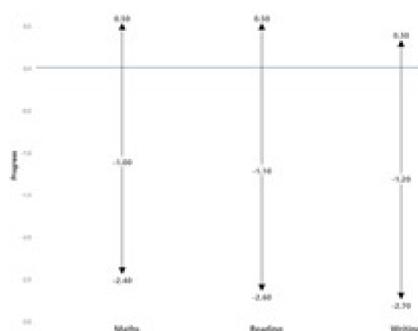
Strategic Report (continued)

(continued)

Key Stage 2 SATs Overview



Progress



Parental Engagement

The School was able to welcome parents/carers back into School this year for workshops, performances, parent consultations and events run by the Larchwood Primary Parent's Association (LPPA). The LPPA raised £10,500 this year, which, after costs, gave a profit of £4,600. The School and its Governors conducted parent surveys again this year, which proved very positive.

Extra-curricular

The School was able to provide the children with a wide range of extra-curricular opportunities this year following a few disrupted years due to the pandemic. There were over 25 clubs for children to participate in. School trips resumed, including a successful residential trip for Year 6. Additional visitors were able to support the curriculum such as drama and dance workshops and sports coaching. The wrap-around provision of Breakfast Club and After School Club (07:30 - 18:00 daily) continued to be very popular.

Partnerships

The School has developed strong partnerships with a number of organisations. As well as working closely with the Local Authority and with the Essex Primary Head's Association (EPHA), the Brentwood Collaborative Partnership (BCP) was able to increase activity. As part of a cluster of schools, the School was able to conduct peer-to-peer reviews with a clear focus. The School has extensive community links, including St George's Church, the Brentwood Schools Christian Workers Trust and the Shenfield Sports Partnership. The School works closely with the onsite Larchwood Family Hub operated by Virgin Care Ltd.

During the year, pupils supported the Royal British Legion Remembrance Day, Children in Need, Haven House and Cancer Research, raising £1,356 for these charities.

St. Martin's School

In the academic year 2021/22, SMS continued its work to help pupils to Be The Best They Can Be by developing them as fully rounded individuals, who can flourish in the future. At the core of this are three strands: Traditional Values, Learning for the Future, Outstanding Personal Achievement.

Traditional Values include the personal development and wellbeing of the SMS pupils. The School places equal importance on exemplary behaviour, smart appearance, good manners as well as encouraging all of its pupils

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report (continued)

(continued)

to make a positive contribution to their School and local community.

Learning for the Future is more than just gaining excellent exam results. They are not enough on their own to help SMS pupils face everyday life situations in the 21st century. Throughout their time in School, pupils develop skills and attributes such as teamwork, honesty, resilience, independence, versatility and empathy. These are key to empowering them to be successful, fully rounded individuals, who can flourish in every aspect of their lives.

Outstanding Personal Achievement is the ultimate goal of the SMS pupil personal journey regardless of starting point or ability. The School continually encourages and challenges in all aspects of School life to enable pupils to achieve as highly as possible. The nature of the achievement is very different for every pupil and encompasses a whole raft of subjects, activities and personal preferences at all levels of ability. The School prides itself on its extra-curricular offer. There is something for everyone of all abilities and tastes. All School departments offer endless clubs and enrichment beyond lessons. In addition, student leadership plays a major role in the improvement of the School. There are currently over seven new groups set up to give pupils huge opportunities to lead and develop key School initiatives that really make a difference and influence the future of the School.

THRIVE

Following a year of development, INSET and feedback, THRIVE (**T**eam worker, **H**onest, **R**esilient, **I**ndependent, **V**ersatile, **E**mpathetic) was introduced into the School in September 2022. The initiative encapsulates and promotes the skills and attributes that the pupils develop every day. The initiative was developed by the SMS pupil and staff vision groups, and, while there is still work and embedding to do, it is already the core element of the School's rewards system, and is becoming a central part of lessons and everyday ethos.

Although there was no lockdown during the academic year, the Government kept in place a five-day isolation period for staff and pupils, who were positive with COVID-19. This continued to disrupt and have an effect on the School. The Government also changed its directive on recording pupil attendance. Absence due to COVID-19 had not previously counted as an absence, it now does. SMS attendance is still above National Average.

A successful recruitment process during the Autumn term resulted in 284 first choices for a PAN of 292 meant that the School could increase the PAN for one year to try to fill the shortfall in the Year Group that started Year 7 in 2020. The current Year 7 (September 2022) total pupils on roll is, therefore, 323.

Exam Results 2021/22

Exam grades in 2022 were awarded as a result of pupils sitting exams in school. However, adaptations were made in each subject. To help pupils prepare, they were given more information than usual about what to revise and/or given fewer topics to learn. Pupils were also allowed to use support materials - such as formulae sheets for maths.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

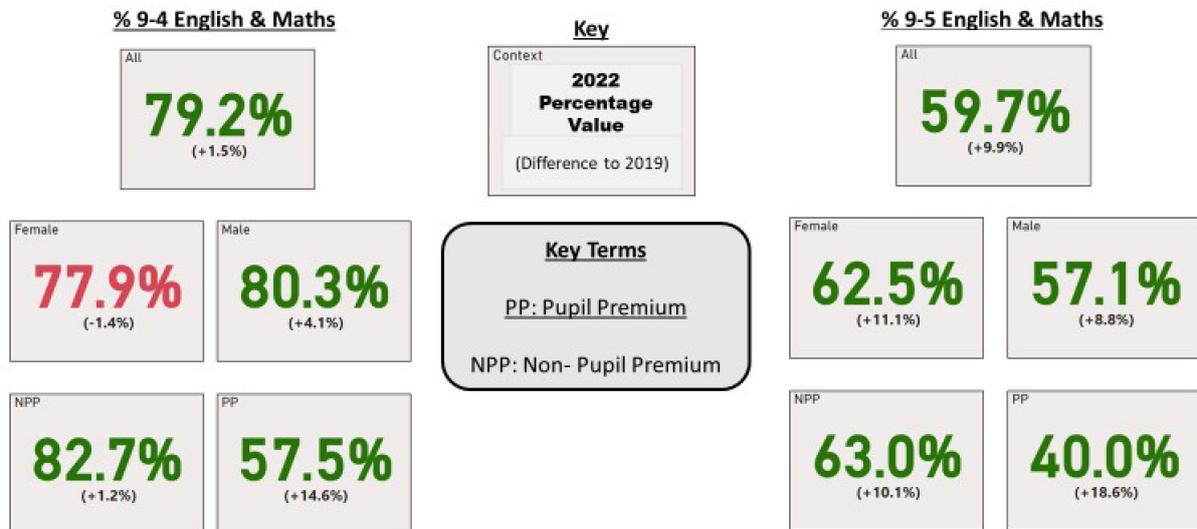
Strategic Report (continued)

(continued)

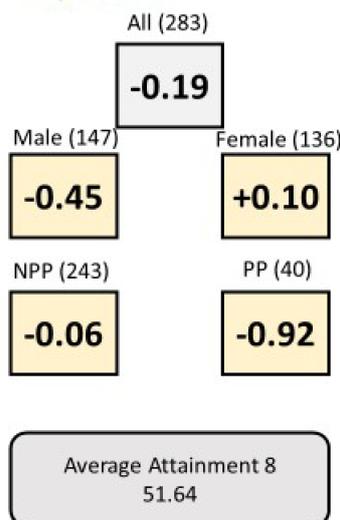
Key Stage 4 – GCSE



Achievement Benchmarks compared to 2019



Progress 8



Key Terms

PP: Pupil Premium

NPP: Non-Pupil Premium

Progress 8: School Attainment 8 minus Government expectation

Attainment 8: Grades from the 8 buckets added together (English and Maths doubled)

Underlined terms have hyperlinked additional information sources

Total pupils in brackets

Official 2022 Progress 8 benchmarks used for PB values



DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report (continued)

(continued)

Key Stage 5 – Post-16

- Grade A*- A = 29.29%, which is 7% below national average.
- Grade A*-B = 56.77%, which is 6% below the national average.
- Grade A*-C = 82.83%, which is in line with national average.
- Increases from 2019 in the number of pupils gaining A*-A, A*-B and A*-C grades.
- 52% of BTEC results were at the top grades of D*-D. 89% were D*-M.
- ALPS score has improved from ALPS 4 in 2019 (black) to 3 (red).
- Overall pupil progress places the school in the top 25% of Sixth Form providers.
- Progress ALPS - there is one less subject in the bottom 25% and one more subject moved into the top 25% compared to 2019.
- 82% of pupils succeeded in obtaining a place at their first-choice university and 22% went to Russell Group universities.
- Females have outperformed their male peers in all achievement bands. The gender gap, however, is small.

b. Key Performance Indicators

The Trustees receive monthly information to enable them to monitor the performance of the constituent Schools, compared to aims, strategies and financial budgets.

Financial Performance Indicators:

- As funding is based on pupil numbers, this is a KPI with funding per pupil calculated for General Annual Grant (GAG) funding, Sixth Form funding, total funding and total income.
- Revenue expenditure per pupil is calculated for teaching costs, non-teaching staff costs and other costs and total per pupil.
- The Trust aims for each School to have no more than 80% staffing costs in line with DfE requirements.
- Staffing costs, a substantial element of total costs, are calculated as a percentage of GAG funding, Education and Skills Funding Agency (ESFA) funding, total income and total expenditure. Also calculated is average teacher cost.
- The TB receives management accounts, balance sheet and cash-flow analysis on a monthly basis.
- Surplus as a percentage of Funding/Income.

Other Performance Indicators:

- Examination results and National Curriculum Standard Assessment Tests (SATS);
- Ofsted inspection outcomes;
- Pupil attendance data;
- Pupil exclusion data;
- Pupil admissions data;
- Pupil attainment and progress data.

c. Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that DET has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the “going concern” basis in preparing the financial statements. Further details regarding the adoption of the “going concern” basis can be found in the Statement of Accounting Policies.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report (continued)

(continued)

d. Promoting the Success of the Charitable Company

The Trustees have an obligation to act in a way most likely to promote the success of DET. Details regarding engagement with employees, suppliers, parents/carers, pupils and other connected parties have been covered in separate notes within the Trustees' Report. The obligation to assess the likely consequences of decisions in the longer term is noted within the Reserves Policy below, as Trustees balance the needs of current and future cohorts.

The Trustees have identified reputational and ethical areas as key risks and their actions in these areas are covered within Principal Risks and Uncertainties later within this Strategic Report.

Financial Review

DET's principal source of funding is the GAG funding that it receives from ESFA. For the period ended 31 August 2022, DET received £22,410,552 (2021 - £19,995,115) in GAG and other funding. A high percentage of this funding is spent on wages, salaries and support costs to deliver DET's primary objective of the provision of education. During the year, DET spent £20,127,506 (excluding depreciation and pension adjustments), and transferred £609,219 to support capital, new build and improvement projects.

DET brought forward from 2020/21, £774,108 restricted funding and £999,593 unrestricted funding. The carry forward for 2021/22 is £513,328 restricted funding and £1,396,234 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under Financial Reporting Standard (FRS) 102, DET is recognising a significant pension fund deficit of £1,525,000 (2021 - £9,227,000). This does not mean that an immediate liability for this amount crystallises, and such a deficit generally results in a cash-flow effect in the form of increased employer contributions over a number of years. The recognition of this deficit has no direct impact on the free reserves of DET.

a. Reserves Policy

The Trustees are aware of the requirement to balance current and future needs. They always aim to ensure that each DET School sets a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the DET CFOO. The budget plan identifies how any carry forward is allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

DET's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,396,234 (2021 – £999,593). This has been built up from a mixture of locally raised income and balances transferred from predecessor Schools.

DET's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £1,909,562 (2021 - £1,773,701).

DET's cash balance has been very healthy all year, ending the year with a balance of £3,062,121 (2021 - £2,191,106). A significant proportion of this is held against specific projects and is not available to meet normal recurring expenditure. The Trustees regularly monitor cash-flow at half-termly TB meetings and DET holds a cash contingency equivalent to one month's gross salary expenditure, which totals approximately £996,000 for DET and its Schools. Further reserves are maintained due to the anticipated reduction in funding in future years.

During academic year 2021/22, DET produced a stand-alone Revenue and Capital Reserves Policy that was approved by the Finance and Resources Committee on 23 March 2022

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

b. Investment Policy

The Trustees have a policy of investing DET's cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment.

During academic year 2021/22, DET produced a stand-alone Treasury Management Policy that was approved by the Finance and Resources Committee on 23 March 2022

c. Principal Risks and Uncertainties

DET maintains a Risk Register identifying the major risks to which it is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on a termly basis and the internal control systems and the exposure to said risks are monitored directly by the TB and its Audit and Risk Committee. The principal risks facing DET, at a contextual level, are outlined below; those facing each School, at an operational level, are addressed by its systems and by internal financial and other controls.

For further details, see the statement of internal control below.

The Trustees report that the financial and internal controls conform to guidelines issued by the ESFA and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable, but not absolute assurance that major risks have been adequately managed.

As a Trust, the level of financial risk is low. Cash-flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure, and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the principal risks and uncertainties facing DET as follows:

- DET has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage DET's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of DET is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that pupil success and achievement are closely monitored and reviewed;
- Safeguarding and Child Protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of safeguarding and child protection policies and procedures, health and safety and discipline;
- Staffing – DET's success is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring that there is clear succession planning;
- Uncertainty in the energy markets – current contracts renew in April 2023 and September 2023. Purchasing/renewal will use the DfE's Energy Procurement Framework;
- Fraud and mismanagement of funds – DET has appointed an Internal Auditor to carry out checks on financial systems and records as required by the ATH. All Finance staff receive training to keep them up to date with financial practice requirements and to develop skills in this area.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

DET has continued to develop its risk management process throughout the year by improving the process and ensuring staff awareness. During academic year 2021/22, DET invested in a well-respected and innovative risk management application called CalQRisk. This application enables the assessment of risk via an algorithm, which determines risk scores based on a question set dictated to by the requirements of legislation such as the ATH, and UK GDPR.

The Trust Coordinator continues to be responsible for Risk Management across DET and, at least, termly engagement takes place with HTs and nominated staff to ensure that the Risk Register in CalQRisk is an accurate and complete record of both strategic and operational risks across DET and its Schools.

Fundraising

DET does not work with professional fundraisers or companies, who carry out fundraising on its behalf. The DET Schools do, however, raise funds through charity initiatives, such as non-uniform days.

LPS also benefits from an active Parent Association. Funds raised, during the year at LPS, via both channels totalled £5,956 net following deduction of costs associated with the Parent Association events.

Charity initiatives at SMS raised in excess of £5,000 and at CHS raised in the region of £1,500.

During the year, no complaints or issues have arisen as a result of the fundraising events that were held.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined Energy and Carbon Reporting

Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022 - UK:		
Total energy consumption (kWh)		5,215,076
Energy consumption break down (kWh)		
<input type="checkbox"/>	Gas	3,406,444
<input type="checkbox"/>	Electricity	1,794,728
<input type="checkbox"/>	Transport fuel - owned transport	10,576
<input type="checkbox"/>	Transport fuel - employee vehicles	3,329
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption		658.74
Owned transport – mini-buses		2.53
Total Scope 1		661.27
Scope 2 emissions in metric tonnes CO₂e		
Electricity		327.61
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles		0.80
Total gross emissions in metric tonnes CO₂e		989.67
Intensity Ratio:		
Number of pupils		3389
Tonnes CO ₂ e per pupil		0.29

Quantification and Reporting Methodology

DET has followed the 2019 HM Government Environmental Reporting Guidelines. It has also used the Greenhouse Gas Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined Energy and Carbon Reporting (continued)

Measures Taken to Improve Energy Efficiency

- increased the use of video conferencing technology for Member, Trustee, Governor, staff and parental meetings, to reduce the need for travel to and from, and between sites.

Successful award of CIF funding for flat roof refurbishment at Larchwood Primary School ensures that the building is watertight, and thermally efficient.

Plans for Future Periods

Given current budgetary pressures, DET continues with its endeavours to improve the levels of attainment and progress of its pupils at all levels and will attempt to maintain its recent progress in ensuring that the number of pupils on roll properly reflects the demand for places. The Trustees continue to enhance and expand facilities in pursuance of DET's commitment to ensure that all pupils achieve their potential. It is recognised that pupils with differing abilities and aptitudes have differing curriculum requirements and that a greater diversity of learning environments is required to deliver these.

Whilst the buildings for all Schools continue to be in a good overall state of repair, the following CIF bids were successful for 2022/23:

CHS Fire Door Upgrades £118,589

LPS Flat Roof Refurbishment £425,277

SMS Demountable Teaching Block Replacement £629,894 and Fire Alarm Detection and Emergency Lighting Installation £332,149.86

School Expansion Plans

The expansion programme for LPS has reached full capacity, 420 pupils, in 2021/22. The expansion programme for CHS began in 2020/21 with the Year 7 intake increasing from 196 to 226. Overall, CHS pupil capacity will increase from 1,280 to 1,430 over the next five years. CHS is currently in the second year of the expansion and will reach full capacity in 2024/25.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Trust Expansion Plans

In the academic year 2021/22, two new Trustees were appointed, although three Trustees also resigned.

Recruitment efforts continue. As at the end of the 2021/22 academic year, DET had seven Trustees, with one further Trustee to commence in role on 1 September 2022. The intention is to increase this number to twelve.

During the year, the following TB Committees were constituted and all held regular meetings as required by relevant Terms of Reference:

- Audit and Risk Committee;
- Finance and Resources Committee;
- Pay Committee;
- CEO Performance Management Committee;
- HT Performance Management Committee.

The governance of the Trust was extensively reviewed in readiness for the start of academic year 2020/21, resulting in the production of a significant suite of governance documents, including, but not limited to, Role Descriptions for key governance personnel and Terms of Reference for all TB Committees, as well as a more robust Scheme of Delegation and Risk Register. The appointment of Link Trustees to cover key areas of Safeguarding, Disadvantaged and SEND was also formalised.

An external review of governance was completed by Havering Governor Services and was presented to the TB in December 2020.

The Central Services team continues to be reviewed for efficiency and effectiveness. Following the resignation of the Head of Finance, new roles for CFOO and Deputy CFOO were created, with TB approval, and role holders started in post on 1 October 2021 and 1 December 2021 respectively. Additionally, the following roles were approved by TB, recruited for and filled in readiness for the new academic year:

- Trust Governance Professional (part-time);
- HR Director;
- Trust Development Lead – Progress, Assessment and Data (0.4 FTE);

The new appointments referenced above, together with the existing roles detailed below, create a robust and effective foundation at the heart of the Trust, ensuring a consistent and quality-assured approach across all aspects of DET's activity:

- CEO;
- Trust Development Lead – Quality of Education;
- Trust Development Lead – Personal Development, Behaviour and Attitudes;
- Trust Coordinator (0.6 FTE);
- Trust Head of IT;
- Trust Estates Manager;
- Trust Payroll Manager;
- Trust Accounts Assistant.

The Trust has been reviewing plans for expansion. Two primary schools have made an application to join the Trust in the academic year 2022/23. The Trust believes that these additional schools will help to further collaborative working, economies of scale and streamlined Central Services.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Provision of Information to Auditors

Each of the persons, who are Trustees at the time when this Trustees' Report is approved, has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which DET's Auditors are unaware, and
- that each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by DET's Auditors in connection with preparing its Report and to ensure that DET's Auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Trust Board, on 15 December 2022 and signed on its behalf by:

Mrs H Witty
(Chair of the Trust Board)

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Discovery Educational Trust (DET) has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and are mindful of the guidance provided by the Department for Education (DfE) in its Governance Handbook and its Competency Framework for Governance.

The Trust Board (TB) has delegated the day-to-day responsibility to the Chief Executive Officer (CEO), as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and, in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between DET and the Secretary of State for Education, he is also responsible for reporting any material weaknesses or breakdowns in internal control to the TB.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The TB has formally met 8 times during the year.

Attendance during the year at meetings of the TB was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Cowen	7	8
Mr R Duff	7	7
Mrs K Evans	1	1
Mr C Hearn	7	8
Mr C Holme	5	8
Mr W Myhill	1	6
Mr A Sharma	5	7
Ms L Stafford-Scott	4	8
Mrs K Tucker, Vice Chair	8	8
Mrs K Wild-Smith	5	6
Mr R Juniper	0	0
Mrs H Witty, Chair	8	8

Review of year

Members – the following appointments were made during the year:

- Mrs K Wild-Smith

The following resignations occurred during the year:

- Mr G Morgan
- Mrs A Pratten

Trustees – the following appointments were made during the year:

- Mr W Myhill
- Mr A Sharma

The following resignations occurred during the year:

- Mr W Myhill
- Ms L Stafford-Scott
- Mrs K Wild-Smith

As at 31 August 2022, the TB comprised seven Trustees.

During 2021/22, the TB dealt with the following key challenges:

- Potential link between a pupil at Larchwood Primary School and the then new Omicron variant of Coronavirus, which attracted considerable media attention;
- Recovery of learning lost due to the COVID pandemic;
- Improvement of attendance post-COVID, particularly for disadvantaged pupils;
- Impact of COVID on mental health and wellbeing of pupils and staff;
- Ensuring financial sustainability in difficult national circumstances.

During 2021/22, the TB benefitted from the following key opportunities:

- Appointment of permanent full-time CEO, in addition to substantive Headteacher at Larchwood Primary School, Chief Financial and Operations Officer (CFOO) and Deputy Chief Financial and Operations

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Officer (DCFOO);
- Chase High School graded Good by Ofsted for the first time in its history;
- Restructure of Senior Leadership Team (SLT) at St Martin's School to ensure greater focus on Curriculum and Progress;
- Local Authority request to support a one form entry Primary School in the Summer term.

Conflicts of Interest

DET ensures that annual declarations of business, pecuniary and personal interests are made by all Members, Trustees and Local Governors and detail is added to Registers that are published on the Trust website (Members and Trustees) and the School websites (Local Governors). Additionally, there is a standing agenda item at every Member (including the Annual General Meeting), TB (including ARC and FRC) and Local School Committee (LSC) meeting for all attendees to declare any conflict of interest in any agenda item. Any such declaration is minuted and the member asked to leave the meeting when the relevant item is discussed.

The Conflicts of Interest clauses 97 and 98 in the Trust's Articles of Association clearly articulate that Trustees shall disclose any interest as soon as they become aware of it. Additionally, the DET Trustee and Local Governor Code of Conduct states that "It is the responsibility of Trustees and Local Governors to ensure that they are familiar with DET's rules on handling conflicts of interest and to ensure that they comply with those rules".

All of the Governance Professional, the Trust Coordinator, the CFOO and the Chair of the TB are fully aware of the content of the Member and Trustee register and ensure that no conflicts exist prior to discussion even if they are not declared, and that no conflicts exist in all other governance matters. The Governance Professional and the Chairs of the LSCs are similarly aware of the content of the Local Governor register and ensure the same at LSC meetings and in the conduct of School governance business.

Review of Governance

The Trust updated its Articles of Association this year to bring them into line with the new DfE model Articles (published June 2021). In addition, it was decided:

- to increase the maximum number of Trustees from ten to 12 to enable the appointment of more Trustees with a greater range of skills and experience, and to ensure that there are sufficient Trustees to serve on the Committees and as Link Trustees;
- to increase the number of Members from four to seven to increase the range of perspectives represented and reduce the risk of concentrating power;
- that Members should not serve as Trustees to ensure that they provide independent challenge to the TB;
- that the Trust LSC Coordinator attend LSC meetings to ensure two-way communication and consistency across the Schools;
- to appoint a qualified Governance Professional to serve all DET Board and Committee meetings.

The TB continued in its practice of maintaining clear Terms of Reference and Role Descriptions across the Trust and the Trust Scheme of Delegation was amended several times during the year to reflect the evolving governance model and improvements and developments borne out of lessons learned. Notwithstanding changes, the Scheme of Delegation is reviewed by the TB, at least, once per term.

Trustees have agreed a review of governance to take place in the 2022/23 academic year.

Actions and plans to address recommendations from the last governance review in December 2020 are reviewed on an ongoing basis.

Committees

The Finance and Resources Committee (FRC), a committee of the TB, was formed in Q1 2021 and held three meetings (one per term) during the academic year 2021/22.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The role of FRC is one of financial scrutiny and oversight:

- Supports the TB in maintaining DET as a going concern.
- Scrutinises all aspects of Human Resources and Estate Management.

Attendance during the year at meetings of FRC was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Hearn	2	3
Mr A Sharma	1	1
Ms L Stafford-Scott	1	3
Mrs K Wild-Smith	2	2
Mrs H Witty	2	2

The Audit and Risk Committee (ARC), a committee of the TB, was formed in Q4 2020 and held three meetings (one per term) during the academic year 2021/22.

The role of ARC is one of oversight:

- Reviews the overall risk profile of DET and all Schools for appropriateness.
- Monitors the risk management techniques employed at all levels within DET.
- Advises the TB on the adequacy of DET's internal control framework, including financial and non-financial controls and risk management arrangements.
- Directs a programme of Internal Scrutiny and considers the results and quality of External Audit.
- Advises the TB on audit reports and assurance activities from other bodies, for example, DfE and Education and Skills Funding Agency (ESFA).

Attendance during the year at meetings of ARC was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Cowen	2	3
Mr C Holme	3	3
Mr A Sharma	2	2
Mrs K Tucker	3	3
Mrs K Wild-Smith	1	1
Mrs H Witty	1	1

Local School Committees, committees of the TB, are constituted in each DET School in accordance with the DET Articles of Association. LSCs formally meet three times a year (one meeting per term) and also meet informally a further three times per year for workshop-style meetings in order to further relevant Continuing Professional Development (CPD).

The role of the LSCs is summarised as The Three Ss:

- Safeguarding;
- Standards; and
- Stakeholder Management.

Attendance at LSC meetings during the year is published on the relevant DET School website.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money

As Accounting Officer, the CEO has responsibility for ensuring that DET delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how DET's use of its resources has provided good value for money during each academic year, and reports to the TB where value for money can be improved, including the use of benchmarking data, where appropriate. DET's Accounting Officer has delivered improved value for money during the year by:

- Central procurement to ensure that the best value is achieved through economies of scale whenever possible - e.g. CalQRisk, LifeWorks (new Employee Assistance Programme), SafeSmart (compliance monitoring system), HR and Legal Support retainer, GovernorHub (governance platform), Child Protection Online Management System (CPOMS), Safeguarding Pro subscription and National Governance Association membership.
- Ensuring that best value is achieved on renewing reprographics contracts utilising the DfE approved Crescent Purchasing Consortium framework.
- Full tender to appoint cleaning contract at St. Martin's School.
- Central Services Team – expansion of team with further centralisation of processes – e.g. recruitment of Governance Professional to clerk all meetings across the Trust, including Permanent Exclusion hearings.
- Monthly meetings with CFOO, DCFOO, Headteachers and Business Managers to ensure robust budget monitoring and budgets are built fit for purpose.
- Rigorous scrutiny and central sign-off of all vacancies to identify ways of delivering the outcome for less financial resources.
- Appointing two Trust Development Leads to work with Schools on securing the best educational practise and outcomes.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of DET policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in DET for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

Capacity to Handle Risk

DET has continued to develop its risk management process throughout the year by improving the process and ensuring staff awareness. During academic year 2021/22, DET invested in a well-respected and innovative risk management application called CalQRisk. This application enables the assessment of risk via an algorithm, which determines risk scores based on a question set dictated to by the requirements of legislation such as the Academies Trust Handbook (ATH), and UK General Data Protection Requirements (GDPR).

The TB has reviewed the key risks to which DET is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The TB is of the view that there is a formal ongoing process for identifying, evaluating and managing DET's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by ARC and the TB.

The Risk and Control Framework

DET's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

- which are reviewed and agreed by the TB;
- regular reviews by FRC of reports, which indicate financial performance against the forecasts, and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

Internal Scrutiny/Audit

The TB has decided to employ School Business Services as Internal Auditor for the period 1 September 2021 to 31 August 2022.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on DET's financial systems. In particular, the checks carried out in the current period included:

- Financial procedures and financial competencies;
- Accounting system;
- Financial returns and management accounts;
- Staffing and payroll;
- Income and expenditure;
- Cash management;
- Website compliance;
- Governance;
- Data protection and security.

Throughout the academic year, the Internal Auditor reported to the TB on three occasions, through ARC, on the operation of the systems of control and on the discharge of the TB's financial responsibilities, and annually prepares a summary report to ARC outlining the areas reviewed, key findings, recommendations and conclusions to help ARC to consider actions and assess year-on-year progress.

The Internal Auditor delivered its schedule of work as planned and there were no material control issues arising as a result of the Internal Auditor's work.

Review of Effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal Auditor;
- the work of the External Auditor;
- the School Resource Management Self-Assessment Checklist (SRMSAC);
- the work of the Trust Operational Leadership Team (TOLT), which has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the ARC and a plan to address weaknesses and ensure continuous improvement of the system is in place.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Trust Board on 15 December 2022 and signed on their behalf by:

Mrs H Witty
Chair of the Trust Board

Mr R Duff
Accounting Officer

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Discovery Educational Trust I have considered my responsibility to notify the Trust Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Trust Board are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Trust Board and ESFA.

Mr R Duff
Accounting Officer
Date: 15 December 2022

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Trust Board on 15 December 2022 and signed on its behalf by:

Mrs H Witty
(Chair of the Trust Board)

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY EDUCATIONAL TRUST**

Opinion

We have audited the financial statements of Discovery Educational Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY EDUCATIONAL TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY EDUCATIONAL TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks applicable to the Academy Trust and the industry in which it operates. We determined that the following laws and regulations were most significant: The Companies Act 2006, Safeguarding (including statutory guidance Keeping Children Safe in Education), employment law and public sector pay and conditions. We enquired of management to obtain an understanding of how the Academy Trust is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes for the year. We did not identify any matters relating to material non-compliance with laws and regulation or matters in relation to fraud;

- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures;
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement;
- In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - the specialist skills required and
 - knowledge of the industry in which the client operates.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DISCOVERY EDUCATIONAL TRUST (CONTINUED)**

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Gorridge FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants

Registered Auditor

Kingsridge House

601 London Road

Westcliff on Sea

Essex

SS0 9PE

Date:

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DISCOVERY EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 31 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Discovery Educational Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Discovery Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Discovery Educational Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Discovery Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Discovery Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Discovery Educational Trust's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academy Trust Handbook
- Investigating any areas of significant risk identified
- Consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment
- A review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DISCOVERY
EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

Chartered Accountants
Reporting Accountant

Kingsridge House
601 London Road
Westcliff on Sea
Essex
SS0 9PE

Date:

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	36,775	142,919	1,537,966	1,717,659	455,387
Other trading activities		326,437	-	-	326,437	201,323
Investments	6	359	-	-	359	320
Charitable activities		97,974	20,268,122	-	20,366,096	19,338,085
Total income		461,545	20,411,041	1,537,966	22,410,552	19,995,115
Expenditure on:						
Charitable activities		50,329	21,140,178	1,312,023	22,502,529	21,715,021
Total expenditure		50,329	21,140,178	1,312,023	22,502,530	21,715,021
Net income/(expenditure)		411,216	(729,137)	225,943	(91,978)	(1,719,906)
Transfers between funds	19	(14,576)	(594,643)	609,219	-	-
Net movement in funds before other recognised gains/(losses)		396,640	(1,323,780)	835,162	(91,978)	(1,719,906)
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		-	-	165,000	165,000	-
Actuarial gains/(losses) on defined benefit pension schemes	27	-	8,765,000	-	8,765,000	(133,000)
Net movement in funds		396,640	7,441,220	1,000,162	8,838,022	(1,852,906)

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Reconciliation of funds:					
Total funds brought forward	999,593	(8,452,892)	42,326,238	34,872,939	36,725,845
Net movement in funds	396,640	7,441,220	1,000,162	8,838,022	(1,852,906)
Total funds carried forward	<u>1,396,233</u>	<u>(1,011,672)</u>	<u>43,326,400</u>	<u>43,710,961</u>	<u>34,872,939</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 44 to 72 form part of these financial statements.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07638800

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	41,376,057	41,996,975
Investment property	15	450,000	-
		41,826,057	41,996,975
Current assets			
Debtors	16	2,122,310	850,639
Cash at bank and in hand		3,062,121	2,191,106
		5,184,431	3,041,745
Creditors: amounts falling due within one year	17	(1,768,343)	(930,125)
Net current assets		3,416,088	2,111,620
Total assets less current liabilities		45,242,145	44,108,595
Creditors: amounts falling due after more than one year	18	(6,183)	(8,656)
Net assets excluding pension liability		45,235,962	44,099,939
Defined benefit pension scheme liability	27	(1,525,000)	(9,227,000)
Total net assets		43,710,962	34,872,939
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	43,326,400	42,326,238
Restricted income funds	19	513,328	774,108
		43,839,728	43,100,346
Restricted funds excluding pension asset	19	43,839,728	43,100,346
Pension reserve	19	(1,525,000)	(9,227,000)
Total restricted funds	19	42,314,728	33,873,346
Unrestricted income funds	19	1,396,234	999,593
Total funds		43,710,962	34,872,939

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07638800

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 39 to 72 were approved by the Trustees, and authorised for issue on 15 December 2022 and are signed on their behalf, by:

Mrs H Witty
(Chair of Trust Board)

The notes on pages 44 to 72 form part of these financial statements.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	1,528,730	192,449
Cash flows from investing activities	23	(655,242)	(127,494)
Cash flows from financing activities	22	(2,473)	(2,473)
Change in cash and cash equivalents in the year		871,015	62,482
Cash and cash equivalents at the beginning of the year		2,191,106	2,128,624
Cash and cash equivalents at the end of the year	24, 25	<u>3,062,121</u>	<u>2,191,106</u>

The notes on pages 44 to 72 form part of these financial statements

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

The Trust is a company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up in respect of the guarantee is limited to £10 per Member. The registered office is Hanging Hill Lane, Hutton, Brentwood, Essex, CM13 2HG.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Discovery Educational Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.6 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold buildings	- 25 / 38 years straight line
Freehold land	- Not being depreciated
L/Term leasehold land	- 125 years straight line
L/Term leasehold buildings	- 25 years straight line
Plant and machinery	- 10 years straight line
Computer equipment	- 5 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

1.8 Investment property

Investment property is carried at fair value determined by the Trustees and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of financial activities.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	36,775	142,919	-	179,694	52,794
Capital grants	-	-	1,537,966	1,537,966	402,593
	<u>36,775</u>	<u>142,919</u>	<u>1,537,966</u>	<u>1,717,660</u>	<u>455,387</u>
<i>Total 2021</i>	<u><u>11,039</u></u>	<u><u>41,755</u></u>	<u><u>402,593</u></u>	<u><u>455,387</u></u>	

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
provision of education				
DfE/ESFA grants				
General Annual Grant	-	18,271,110	18,271,110	16,747,744
Other DfE/ESFA grants				
Pupil Premium	-	757,680	757,680	723,684
Supplementary grant	-	212,950	212,950	-
Teachers' pension grant	-	120,306	120,306	639,404
Recovery premium	-	106,648	106,648	-
Rates relief	-	88,959	88,959	92,273
Free school meals	-	66,405	66,405	129,882
National Tutoring Programme	-	66,091	66,091	-
Teachers pay grant	-	42,575	42,575	220,370
Catch up premium	-	-	-	211,753
Summer school funding	-	-	-	61,339
Other COVID-19 funding	-	-	-	64,970
Other DfE / ESFA grants	-	133,833	133,833	65,623
	-	19,866,557	19,866,557	18,957,042
Other Government grants				
Local Authority grants	-	401,565	401,565	298,349
	-	401,565	401,565	298,349
Catering income	97,974	-	97,974	82,694
	97,974	20,268,122	20,366,096	19,338,085
<i>Total 2021</i>	<u>82,694</u>	<u>19,255,391</u>	<u>19,338,085</u>	

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	117,428	-	117,428	40,989
Rental income	27,839	-	27,839	36,887
Other income	181,170	-	181,170	123,447
	<u>326,437</u>	<u>-</u>	<u>326,437</u>	<u>201,323</u>
<i>Total 2021</i>	<u>188,499</u>	<u>12,824</u>	<u>201,323</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	359	359	320
	<u>320</u>	<u>320</u>	
<i>Total 2021</i>	<u>320</u>	<u>320</u>	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Provision of Education					
Direct costs	13,219,195	-	1,194,112	14,413,307	13,831,947
Support costs	4,472,505	2,280,062	1,336,655	8,089,222	7,883,074
	<u>17,691,700</u>	<u>2,280,062</u>	<u>2,530,767</u>	<u>22,502,529</u>	<u>21,715,021</u>
<i>Total 2021</i>	<u>17,003,798</u>	<u>2,647,237</u>	<u>2,063,986</u>	<u>21,715,021</u>	

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Provision of Education	14,413,307	8,089,222	22,502,529	21,715,021
<i>Total 2021</i>	<u>13,831,947</u>	<u>7,883,074</u>	<u>21,715,021</u>	

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	147,000	128,000
Staff costs	4,472,505	4,090,693
Depreciation	1,312,023	1,819,485
Staff development	4,926	2,016
Technology costs	259,014	237,003
Legal costs	97,361	46,170
Travel costs	1,912	1,173
Other support costs	95,953	101,911
Recruitment costs	41,757	70,037
Maintenance of premises	366,432	266,812
Cleaning	118,559	77,202
Rates	97,978	91,274
Energy	371,937	337,130
Insurance	74,719	67,933
Security	13,133	13,613
Catering costs	370,194	330,639
Water & sewerage	49,481	38,735
Bank interest & charges	1,646	1,313
Telephone	49,072	41,366
Print, postage and stationery	107,787	84,267
Governance costs	35,833	36,302
	<u>8,089,222</u>	<u>7,883,074</u>

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Operating lease rentals	23,374	29,446
Depreciation of tangible fixed assets	1,312,023	1,819,485
Fees paid to auditors for:		
- audit	13,725	12,880
- other services	4,775	6,450
	13,725	12,880
	4,775	6,450

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	12,491,989	12,165,498
Social security costs	1,322,350	1,245,278
Pension costs	3,717,329	3,490,356
	17,531,668	16,901,132
Agency staff costs	157,032	67,066
Staff restructuring costs	3,000	35,600
	17,691,700	17,003,798

Staff restructuring costs comprise:

	2022	2021
	£	£
Severance payments	3,000	35,600
	3,000	35,600

b. Severance payments

The Academy Trust paid 1 severance payments in the year (2021 - 2), disclosed in the following bands:

	2022	2021
	No.	No.
£0 - £25,000	1	1
£25,001 - £50,000	-	1
	1	2

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff (continued)

c. Special staff severance payments

Included in staff restructuring costs is a non-contractual severance payment of £3,000 (2021 - £30,000 & £5,600 individual payments) to one individual.

d. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2022	<i>2021</i>
	No.	<i>No.</i>
Teaching	223	<i>229</i>
Administration and support	204	<i>232</i>
Management	23	<i>6</i>
	450	<i>467</i>
	450	<i>467</i>

e. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	8	<i>6</i>
In the band £70,001 - £80,000	1	<i>2</i>
In the band £90,001 - £100,000	4	<i>6</i>
In the band £100,001 - £110,000	1	<i>2</i>
In the band £110,001 - £120,000	1	<i>-</i>
	15	<i>16</i>
	15	<i>16</i>

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £283,835 (2021 - £256,811).

Employer National Insurance contributions included within key management personnel remuneration was £26,635 (2021 - £23,523)

Employer pension contributions included within key management personnel remuneration was £50,277 (2021 - £45,215)

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Financial services and support
- Payroll services and support
- IT support services
- Premises, compliance and health & safety support
- Curriculum, teaching and learning, school improvement, and behaviour consultancy services

The Academy Trust charges for these services on the following basis:

5.5% of GAG income

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
St Martin's School	487,598	274,443
Larchwood Primary School	86,806	42,815
Chase High School	356,226	184,184
Total	930,630	501,442

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022	2021
		£	£
Mr R Duff	Remuneration	110,000 -	105,000 -
		115,000	110,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000

During the year ended 31 August 2022, travel expenses totalling £125 were reimbursed or paid directly to 1 Trustee (2021 - £NIL).

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees' and officers' indemnity element from the overall cost of the RPA scheme membership.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	43,489,886	8,151,148	960,683	1,031,728	53,633,445
Additions	535,310	162,339	232,287	46,169	976,105
Transfers between classes	(1,520)	(283,480)	-	-	(285,000)
At 31 August 2022	<u>44,023,676</u>	<u>8,030,007</u>	<u>1,192,970</u>	<u>1,077,897</u>	<u>54,324,550</u>
Depreciation					
At 1 September 2021	9,193,201	1,463,718	425,268	554,284	11,636,471
Charge for the year	811,344	235,503	95,609	169,566	1,312,022
At 31 August 2022	<u>10,004,545</u>	<u>1,699,221</u>	<u>520,877</u>	<u>723,850</u>	<u>12,948,493</u>
Net book value					
At 31 August 2022	<u><u>34,019,131</u></u>	<u><u>6,330,786</u></u>	<u><u>672,093</u></u>	<u><u>354,047</u></u>	<u><u>41,376,057</u></u>
At 31 August 2021	<u><u>34,296,685</u></u>	<u><u>6,687,431</u></u>	<u><u>535,415</u></u>	<u><u>477,444</u></u>	<u><u>41,996,975</u></u>

During the reporting period £285,000 of fixed assets inherited on conversion have been reclassified as investment properties to closer reflect the current use of these assets.

15. Investment property

	Long term leasehold investment property £
Valuation	
Surplus on revaluation	165,000
Transfers between classes	285,000
At 31 August 2022	<u><u>450,000</u></u>

The 31 August 2022 valuation was performed by an independent RICS registered professional valuer on an open market value for existing use basis. The valuation was based upon the values realised for similar properties in the local area.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	155,706	21,368
VAT repayable	115,328	32,050
Prepayments and accrued income	1,851,276	797,221
	2,122,310	850,639
	2,122,310	850,639

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	2,473	2,473
Trade creditors	365,073	107,334
Other taxation and social security	304,109	142,076
Other creditors	361,457	310,126
Accruals and deferred income	735,231	368,116
	1,768,343	930,125
	1,768,343	930,125

The balance of other loans relates to an interest free Salix loan granted by the Education and Skills Funding Agency.

	2022 £	2021 £
Deferred income at 1 September 2021	144,708	208,159
Resources deferred during the year	215,947	144,708
Amounts released from previous periods	(144,708)	(208,159)
	215,947	144,708
	215,947	144,708

Resources deferred in the year are as follows:
 Universal infant free school meals £38,865 (2021 - £40,070)
 Educational visits contributions in advance £123,047 (2021 - £22,647)
 Rates relief £28,254 (2021 - £53,112)
 Music tuition fees £17,169 (2021 - £27,983)
 Lettings paid in advance £1,000
 After school club income in advance £787
 Jack Petchy Awards £3,325 (2021 - £896)
 IPRA funding for autumn 22 £3,500

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Creditors: Amounts falling due after more than one year

	2022	<i>2021</i>
	£	£
Other loans	6,183	<i>8,656</i>

Amounts falling due after more than one year represent the balance of an interest free Salix loan granted by the Education and Skills Funding Agency.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	999,593	461,546	(50,329)	(14,576)	-	1,396,234
Restricted general funds						
General Annual Grant (GAG)	746,840	18,271,110	(17,178,979)	(1,325,643)	-	513,328
Pupil premium	-	757,680	(757,680)	-	-	-
Supplementary grant	-	212,950	(212,950)	-	-	-
Teachers' pension grants	-	120,306	(120,306)	-	-	-
Recovery Premium	-	106,649	(106,649)	-	-	-
Rates relief	-	88,959	(88,959)	-	-	-
UIFSM	-	66,405	(66,405)	-	-	-
National Tutoring Programme	-	66,091	(66,091)	-	-	-
Teachers pay grants	-	42,575	(42,575)	-	-	-
Other DfE / ESFA grants	27,268	133,832	(161,100)	-	-	-
Local authority grants	-	401,565	(401,565)	-	-	-
Restricted donations	-	142,919	(142,919)	-	-	-
Pension reserve	(9,227,000)	-	(1,794,000)	731,000	8,765,000	(1,525,000)
	(8,452,892)	20,411,041	(21,140,178)	(594,643)	8,765,000	(1,011,672)

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Condition Improvement Fund (CIF)	329,263	1,505,910	-	(341,662)	-	1,493,511
Devolved Formula Capital	-	68,889	-	(62,057)	-	6,832
Local Authority	-	(36,833)	-	36,833	-	-
Restricted fixed assets	41,996,975	-	(1,312,023)	691,105	-	41,376,057
Investment property	-	-	-	285,000	165,000	450,000
	<u>42,326,238</u>	<u>1,537,966</u>	<u>(1,312,023)</u>	<u>609,219</u>	<u>165,000</u>	<u>43,326,400</u>
Total Restricted funds	<u>33,873,346</u>	<u>21,949,007</u>	<u>(22,452,201)</u>	<u>14,576</u>	<u>8,930,000</u>	<u>42,314,728</u>
Total funds	<u><u>34,872,939</u></u>	<u><u>22,410,553</u></u>	<u><u>(22,502,530)</u></u>	<u><u>-</u></u>	<u><u>8,930,000</u></u>	<u><u>43,710,962</u></u>

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

Unrestricted general funds can be used to fulfil any of the Trust's charitable objects.

Transfers represent unrestricted funding used to finance restricted funding deficits.

Restricted general funds

These all relate to restricted government grants the application of which is limited to the conditions imposed by the respective funding agreements.

Transfers include employer contributions against the pension deficit and revenue contributions to capital expenditure.

Pension reserve

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension Scheme.

Restricted fixed asset funds

The balance of this fund represents the net book value of the Trust's tangible fixed assets plus any unspent capital grant funding.

Transfers represent revenue contributions to capital.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
Unrestricted funds	829,740	281,373	(111,520)	-	-	999,593
Restricted general funds						
General Annual Grant (GAG)	650,932	16,747,744	(16,322,879)	(328,957)	-	746,840
Other DfE/ESFA grants	-	2,190,588	(2,163,320)	-	-	27,268
Other Government grants	-	297,998	(297,998)	-	-	-
Teacher training income	-	20,240	(20,240)	-	-	-
Restricted donations	-	54,579	(54,579)	-	-	-
Pension reserve	(8,169,000)	-	(925,000)	-	(133,000)	(9,227,000)
	<u>(7,518,068)</u>	<u>19,311,149</u>	<u>(19,784,016)</u>	<u>(328,957)</u>	<u>(133,000)</u>	<u>(8,452,892)</u>

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Restricted fixed asset funds						
Condition Improvement Fund (CIF)	-	335,834	-	(6,571)	-	329,263
Other Government capital grants	128,119	-	-	(128,119)	-	-
Restricted fixed assets	43,286,054	-	(1,819,485)	530,406	-	41,996,975
Devolved Formula Capital (DFC)	-	66,759	-	(66,759)	-	-
	<u>43,414,173</u>	<u>402,593</u>	<u>(1,819,485)</u>	<u>328,957</u>	<u>-</u>	<u>42,326,238</u>
Total Restricted funds	<u>35,896,105</u>	<u>19,713,742</u>	<u>(21,603,501)</u>	<u>-</u>	<u>(133,000)</u>	<u>33,873,346</u>
Total funds	<u><u>36,725,845</u></u>	<u><u>19,995,115</u></u>	<u><u>(21,715,021)</u></u>	<u><u>-</u></u>	<u><u>(133,000)</u></u>	<u><u>34,872,939</u></u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
St Martin's School	1,020,715	955,917
Larchwood Primary School	267,650	189,654
Chase High School	591,293	619,516
Discovery Educational Trust	29,904	8,614
	<u>1,909,562</u>	<u>1,773,701</u>
Total before fixed asset funds and pension reserve	1,909,562	1,773,701
Restricted fixed asset fund	43,326,400	42,326,238
Pension reserve	(1,525,000)	(9,227,000)
Total	<u><u>43,710,962</u></u>	<u><u>34,872,939</u></u>

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
St Martin's School	6,576,060	1,601,952	253,752	1,154,637	9,586,401	9,796,918
Larchwood Primary School	1,312,002	253,819	45,405	338,211	1,949,437	1,768,792
Chase High School	4,823,041	1,431,252	338,756	1,095,885	7,688,934	7,410,431
DET Central	508,092	1,185,481	1,257	270,905	1,965,735	1,420,836
Academy Trust	<u>13,219,195</u>	<u>4,472,504</u>	<u>639,170</u>	<u>2,859,638</u>	<u>21,190,507</u>	<u>20,396,977</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	41,376,057	41,376,057
Investment property	-	-	450,000	450,000
Current assets	1,396,234	2,045,647	1,742,550	5,184,431
Creditors due within one year	-	(1,526,136)	(242,207)	(1,768,343)
Creditors due in more than one year	-	(6,183)	-	(6,183)
Provisions for liabilities and charges	-	(1,525,000)	-	(1,525,000)
Total	<u>1,396,234</u>	<u>(1,011,672)</u>	<u>43,326,400</u>	<u>43,710,962</u>

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	41,996,975	41,996,975
Current assets	999,593	1,712,889	329,263	3,041,745
Creditors due within one year	-	(930,125)	-	(930,125)
Creditors due in more than one year	-	(8,656)	-	(8,656)
Provisions for liabilities and charges	-	(9,227,000)	-	(9,227,000)
Total	999,593	(8,452,892)	42,326,238	34,872,939

21. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(91,978)	(1,719,906)
Adjustments for:		
Depreciation	1,312,024	1,819,485
Capital grants from DfE and other capital income	(78,297)	(402,593)
Interest receivable	(359)	(320)
Defined benefit pension scheme cost	1,063,000	925,000
(Increase)/decrease in revenue debtors	187,999	206,246
Increase/(decrease) in revenue creditors	596,010	(635,463)
(Increase)/decrease in capital debtors	(1,459,669)	-
Net cash provided by operating activities	1,528,730	192,449

22. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(2,473)	(2,473)
Net cash used in financing activities	(2,473)	(2,473)

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. Cash flows from investing activities

	2022 £	2021 £
Interest received	359	320
Purchase of tangible fixed assets	(733,898)	(530,407)
Capital funding received from ESFA and others	78,297	402,593
Net cash used in investing activities	(655,242)	(127,494)

24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	3,062,121	2,191,106
Total cash and cash equivalents	3,062,121	2,191,106

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,191,106	871,015	3,062,121
Debt due within 1 year	(2,473)	-	(2,473)
Debt due after 1 year	(8,656)	2,473	(6,183)
	2,179,977	873,488	3,053,465

26. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	1,455,348	329,263
	1,455,348	329,263

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

27. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £308,352 were payable to the schemes at 31 August 2022 (2021 - £305,220) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,052,635 (2021 - £2,003,929).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £912,000 (2021 - £860,000), of which employer's contributions totalled £731,000 (2021 - £687,000) and employees' contributions totalled £ 181,000 (2021 - £173,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 6.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2022	<i>2021</i>
	%	%
Rate of increase in salaries	3.95	3.9
Rate of increase for pensions in payment/inflation	2.95	2.9
Discount rate for scheme liabilities	4.25	1.65

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21.0	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

Sensitivity analysis

	2022	<i>2021</i>
	£000	£000
Discount rate +0.1%	(259)	(420)
Discount rate -0.1%	265	430
Mortality assumption - 1 year increase	353	762
Mortality assumption - 1 year decrease	(343)	(732)
CPI rate +0.1%	253	395
CPI rate -0.1%	(247)	(386)

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

27. Pension commitments (continued)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2022 £	At 31 August 2021 £
Equities	5,729,000	5,945,000
Gilts	196,000	234,000
Corporate bonds	451,000	432,000
Property	963,000	648,000
Cash and other liquid assets	305,000	259,000
Alternative assets	1,525,000	1,031,000
Other managed funds	1,013,000	739,000
Total market value of assets	10,182,000	9,288,000

The actual return on scheme assets was £25,000 (2021 - £1,669,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	1,643,000	1,365,000
Interest income	(160,000)	(116,000)
Interest cost	307,000	244,000
Administrative expenses	4,000	5,000
Net settlement cost	-	114,000
Total amount recognised in the Statement of financial activities	1,794,000	1,612,000

Changes in the present value of the defined benefit obligations were as follows:

	2022 £	2021 £
At 1 September	18,515,000	15,016,000
Current service cost	1,643,000	1,365,000
Interest cost	307,000	244,000
Employee contributions	181,000	173,000
Actuarial (gains)/losses	(8,900,000)	1,686,000
Benefits paid	(39,000)	(173,000)
Liabilities assumed on settlements	-	204,000
At 31 August	11,707,000	18,515,000

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

27. Pension commitments (continued)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2022	<i>2021</i>
	£	£
At 1 September	9,288,000	<i>6,847,000</i>
Interest income	160,000	<i>116,000</i>
Actuarial (losses)/gains	(135,000)	<i>1,553,000</i>
Employer contributions	731,000	<i>687,000</i>
Employee contributions	181,000	<i>173,000</i>
Benefits paid	(39,000)	<i>(173,000)</i>
Administrative expenses	(4,000)	<i>(5,000)</i>
Settlement prices received/(paid)	-	<i>90,000</i>
At 31 August	10,182,000	<i>9,288,000</i>

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

27. Pension commitments (continued)

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2022.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary.

On 13 May 2021, the Government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's Lloyds ruling on the equalisation of GMPs between genders, it is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, it has been assumed in the valuation that the Fund will be required to pay the entire inflationary increase. It is not therefore necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Goodwin case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

It is anticipated that the impact on the value of LGPS liabilities as a whole, and for the majority of employers participating in the LGPS, will not be material. However, the impact on individual employers will vary depending on their specific membership profile.

Sufficient information is not currently available to assess the actual impact on the Academy Trust as such no provision has been included within these financial statements.

DISCOVERY EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

28. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	<i>2021</i>
	£	£
Not later than 1 year	35,350	<i>20,413</i>
Later than 1 year and not later than 5 years	38,631	<i>20,752</i>
	73,981	<i>41,165</i>

29. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

30. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

31. Controlling party

There is no ultimate controlling party.